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C O N F I D E N T I A L SECTION 01 OF 04 TOKYO 001111

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TAGS: [PGOV](#) [PREL](#) [JA](#)

SUBJECT: KOMEITO SOLIDLY BEHIND FUKUDA, AGAINST EARLY ELECTIONS

REF: A. TOKYO 1076 - FUKUDA FACES KEY HURDLES

[1](#)B. TOKYO 0904 - FUKUDA IN NO HURRY TO CALL ELECTIONS

[1](#)C. TOKYO 0548 - DECISION TIME IN DIVIDED DIET

Classified By: Ambassador J. Thomas Schieffer, reasons 1.4(b),(d).

[1](#)1. (C) Summary. Komeito Election Strategy Chief Yosuke Takagi emphasized his party's commitment to the ruling coalition with the LDP, in a recent meeting with the Embassy, and confirmed that Komeito will stand by Prime Minister Fukuda on use of a second vote in the Lower House to re-instate the gasoline and other road-related taxes at the end of April. Takagi was certain that Fukuda would resist calls to reshuffle his Cabinet or dissolve the Lower House prior to the July G8 Summit, despite the likely passage of a censure motion in the Upper House. Beyond that, he said, elections/political realignment will be much more difficult to avoid if the ruling parties don't find some way to make their policies more relevant and appealing. End summary.

Komeito Backs Use of Override for Gas Tax

[1](#)2. (C) Senior Komeito Lower House member and party Election Strategy Chair Yosuke Takagi assured the Embassy recently that the ruling coalition will use its two-thirds majority in the Lower House to re-impose the gasoline and other road-related taxes. The key will be to gain public support for the move prior to April 29, the date that the opposition's 60-day hold on the budget-related legislation in the Upper House ends. This can be accomplished by stressing Prime Minister Yasuo Fukuda's willingness to compromise with the opposition and end earmarks for road-related construction beginning in FY2009, Takagi believes.

[1](#)3. (C) The problem is that while vested road construction interests within the ruling Liberal Democratic Party (LDP) appear to have accepted the Prime Minister's proposal as a means to break through the current state of legislative gridlock in the Diet, they may still try to keep the statutory language regarding earmarks murky -- a "typical" LDP solution. The media will attack the ruling coalition mercilessly if the language is not absolutely clear regarding the need for reform. Takagi expects the opposition to keep up its political attacks in the days leading up to April 29,

despite a March 27 agreement to engage in consultations.

14. (C) The Diet will meet on April 28, and then close on April 29 for a national holiday. Business will then resume for three days before breaking again for two more holidays on May 5 and 6. Takagi and other ruling coalition members are unlikely to travel abroad during this period, referred to as "Golden Week," when Diet members and government officials traditionally schedule overseas business trips. Other Embassy contacts report that the LDP has told its members not to plan any travel over the break.

Passage Will Trigger Censure Motion

15. (C) Takagi expects the opposition to ratchet up its criticism of the Fukuda administration after the budget-related legislation passes again in the Lower House. The opposition will likely pass a censure motion against the Prime Minister in the Upper House, but is equally certain that the ruling parties will simply ignore the non-binding resolution and continue with business as usual in the Lower House.

16. (C) This will result in a "test of endurance" as the opposition rejects all coalition-initiated deliberations in the Upper House and business essentially comes to a halt until the Diet adjourns on June 15, Takagi explained. The media will grow increasingly critical of both the ruling and opposition parties for placing politics before the work of government and the wishes of the people. The key will be which party gives in first. Takagi, citing the tendency of

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Japanese lawmakers to put off tough decisions on important issues in the run-up to an election, noted the possibility that tax system reform could be delayed.

No Cabinet Reshuffle Before G8

17. (C) The voices calling for a Cabinet reshuffle in order to change the image of the Cabinet are growing stronger within the coalition, Takagi acknowledged. At the same time, he had heard from Komeito leader Akihiro Ota and Secretary General Kazuo Kitagawa that Prime Minister Fukuda would like to avoid this scenario by placing greater importance on implementing policy measures step by step. Fukuda does not care whether he is popular among the public or the media, according to the Komeito leaders, and would prefer to work on realizing his policy goals by retaining the current Cabinet until after the G8 Summit.

18. (C) Takagi himself agrees that this is not such a good time for a Cabinet reshuffle, given the confused political situation. Even if Prime Minister Fukuda reshuffles his Cabinet, the public and media may think he is only doing so in order to prolong his political life and change the image of his administration, Takagi added.

No Election Either

19. (C) Regardless of the impact of a censure motion, Takagi asserted, the government and ruling parties have agreed that Prime Minister Fukuda will not dissolve the Lower House before the G8 Summit in July. Coalition leaders fear damage to Japan's international credibility should the coalition lose its majority in the Lower House and the political situation become even more confused prior to the arrival of world leaders.

Election Scenarios

110. (C) The ruling coalition will definitely lose its

two-thirds supermajority in the Lower House in the next Lower House election, Takagi asserted. He sees three possible scenarios for the outcome. In the first case, the LDP-Komeito coalition could win a simple majority, after which they would try to woo opposition members to bring about some sort of realignment in the Upper House and end the Diet gridlock. Alternatively, the opposition could win a majority. What Komeito does then will depend on the situation. Finally, we could see an election where no party or parties win a majority, in which case political realignment will be the only answer. Absent some new order, the largest party in the Lower House will have to form a Cabinet and call for another election in a year or so. This last scenario means more chaos internally, and more lost prestige for Japan internationally.

Bold Leadership, Policies Can End the Deadlock

¶11. (C) Takagi urged bold leadership by the LDP to resolve the crisis that has resulted from a divided Diet, citing the decision of then LDP Secretary General Hiromu Nonaka to accept opposition policy proposals without condition back in 1998, the last time the LDP lost its majority in the Upper House. (Note: The LDP was defeated in the July 1998 Upper House election, leaving it with only 102 of 252 seats and forcing the resignation of Prime Minister Ryutaro Hashimoto. His replacement, Keizo Obuchi, formed a coalition with Ichiro Ozawa's Liberal Party later that year, followed soon after by Komeito, to regain a majority in the Upper House.) As Nonaka did then, current Secretary General Ibuki should have accepted opposition demands to lower road-related tax rates and earmarks for road-related construction long before Prime Minister Fukuda finally announced his compromise proposal in late March. The ruling parties could have then worked

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cooperatively with the opposition to come up with a sound plan to remedy the shortfall of approximately JPY 2.6 trillion, much of which is funneled to the prefectural governments.

¶12. (C) To change the current situation now that things have deteriorated further, the coalition parties need to make policy choices clearer for the voters, Takagi believes. He criticized the policies of the main opposition Democratic Party of Japan (DPJ) as "unclear" and "nothing more than words on paper." If DPJ leader Ozawa's policies are implemented, he warned, Japan will go bankrupt. What's more, even if the DPJ is elected to a majority in the Lower House and takes over the government, it will be unable to implement its policies, and the public's distrust of politics will deepen further.

¶13. (C) As for Komeito, Takagi expects his party to continue serving as a "party for ordinary people," with special consideration for its Soka Gakkai lay Buddhist support base. As a responsible ruling party, he conceded, Komeito cannot always present its supporters with rosy policy prescriptions. That said, Komeito continues to prioritize the development of realistic policy measures to resolve pension, medical, and social security problems.

¶14. (C) Looking beyond Japan, Takagi stressed the importance of sketching out a new map of the world order in the 21st century. In doing so, Japan's position in the U.S.-Japan relationship needs to be more clearly defined. Takagi is dismayed that the few bills to reach the Diet have been primarily budget-related, with little or no foreign policy issues under discussion since the January passage of the Anti-terror Special Measures Bill re-authorizing Japanese refueling efforts in the Indian Ocean. Takagi is afraid that the Diet is "bottoming out" in terms of foreign and security policies, even as important foreign policy issues, such as the Six-Party Talks and Tibet, are in play.

¶15. (C) After all, Takagi argued, politics is not about populism. Politics must achieve not only what the public wants, but also what needs to be done as a nation. From that perspective, there is no reason for the DPJ to oppose the Special Measures Agreement (SMA) governing host nation support for U.S. forces in Japan. (Note: The DPJ announced April 21 that it will vote against the SMA in the Upper House.) As the absence of some DPJ members at the Lower House plenary vote showed, even DPJ members knew it was right to pass the bill. The DPJ will have to change its position if it ever takes over the reins of government, he opined.

LDP-Komeito Coalition Strong, for Now

¶16. (SBU) The LDP-Komeito coalition remains strong, Takagi confirmed, and his party has every intention of honoring the commitment it made to voters in the 2005 Lower House campaign when its members ran as coalition partners of the LDP. That does not mean there are not problems. For example, Komeito members generally prefer to follow a reform line in the Diet, but if they called loudly for amending additional road-related tax legislation before May 12 to appease their own supporters, the delicate balance with the LDP could collapse. This is why Komeito leaders are very cautious when speaking their true thoughts, he observed.

¶17. (C) Takagi predicted that Komeito members would probably work hard to maintain the coalition after the next election, but that would depend on whether or not the ruling parties can win back a majority of seats in the Lower House. He was not certain what would happen if the two parties lose the majority, but said only that Komeito would have to decide at that time whether to continue policy coordination with the LDP or break away.

Future LDP Prospects Uncertain

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¶18. (C) Most coalition lawmakers are convinced that Prime Minister Fukuda will not dissolve the Lower House, Takagi revealed. For one thing, the Cabinet support rate is too low. A more likely scenario is that voices within the LDP will call for his resignation after the conclusion of the G8 Summit, well after the nasty fight over the budget-related bills is settled. Komeito does not relish the idea of an LDP leadership change, preferring a stable coalition. At the same time, Komeito will be happy as long as the LDP can come to consensus on a leader, whether it is Fukuda or someone else. Komeito leaders Ota and Kitagawa will be very cautious about making comments on LDP personnel changes, he anticipated.

¶19. (C) Personally, Takagi thinks former LDP Secretary General and Foreign Minister Taro Aso is the strongest candidate to succeed Fukuda. He has a great public image and is also one of the more powerful candidates. Former Finance Minister Sadokazu Tanigaki might have had another chance, but did himself a disservice by not asserting his leadership on the budget-related issues. His reputation has declined substantially. Takagi sees former Defense Minister Yuriko Koike as another potential candidate, but worries that the public may object if she is put forward simply because of her media appeal.

¶20. (C) Looking back on the "good old days" of the LDP, Takagi lamented that the LDP no longer had many good candidates from which to choose. He blames this on the introduction of the single-seat district system. In essence, he said, the selection of a Japanese Prime Minister is becoming more like a U.S. presidential race, where a successful candidate must be able to appeal directly to the public. Both the LDP and the DPJ will need to suffer through a trial and error process before they can "raise" winning

candidates.
SCHIEFFER